

14 - 12 - 96

Company No. 74974

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

SPECIAL AND ORDINARY RESOLUTIONS

- of -

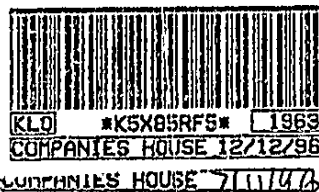
BRITISH-AMERICAN TOBACCO COMPANY LIMITED

Passed 6th November 1996

AT AN EXTRAORDINARY GENERAL MEETING of the members of the said Company, duly convened and held at the Novotel London Heathrow Hotel, Cherry Lane, West Drayton, Middlesex, UB7 9HB, on Wednesday, the 6th day of November, 1996 the following RESOLUTIONS were duly passed, Number 1 as a SPECIAL RESOLUTION and Number 2 as an ORDINARY RESOLUTION:-

SPECIAL RESOLUTION

- "1. THAT conditional upon the passing of the Extraordinary Resolutions proposed at the separate meetings of holders of the 6 per cent. Second Cumulative Preference Stock Units and 5 per cent. Cumulative Preference Stock Units convened for 6th November 1996 at the Novotel London Heathrow Hotel the capital of the Company be reduced to £124,500,000 by cancelling and extinguishing all the 6 per cent. Second Cumulative Preference Stock Units and all the 5 per cent. Cumulative Preference Stock Units and that such reduction be effected by paying to the holders of 6 per cent. Second Cumulative Preference Stock Units 88.187p per Unit and to the holders of 5 per cent. Cumulative Preference Stock Units 73.784p per Unit, together with in both cases accrued dividends down to the date of payment, in accordance with their respective rights, as varied and approved by the separate meetings of the holders of the Preference Stocks."

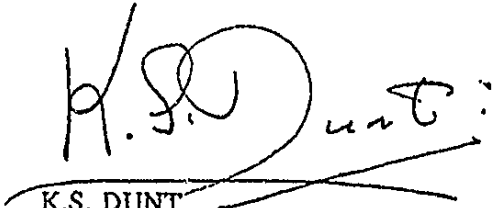


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ORDINARY RESOLUTION

"2. THAT

- "FOR INFORMATION ONLY"
RESOLUTION PROCESSED SEPARATELY**
- (A) the authorised share capital of the Company be increased by the creation of 42,000,000 new Ordinary Shares of 25 pence each;
- (B) for the purposes of section 80 of the Companies Act 1985 (the "Act") (and so that expressions used in this resolution shall bear the same meanings as in the Act);
- (i) the Directors be and are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities up to a maximum nominal amount of £10,500,000 to such persons and at such times and on such terms as they think proper during the period commencing on the date of the passing of this resolution and expiring on 31st December 1997; and
- (ii) the Company be and is hereby authorised to make prior to the expiry of such period any offers or agreements which would or might require relevant securities to be allotted after the expiry of the said period and the Directors may allot relevant securities in pursuance of any such offers or agreements notwithstanding the expiry of the authority given by this resolution."


K.S. DUNT

Chairman of the Meeting